

Readmissions Policy: Attainment and Improvement

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Maryland Hospital Association

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Policy Objectives

Develop a robust model to predict hospital readmissions rates that can be used to measure attainment of a readmissions target as well as improvement

- Build on known predictors of individual risk, e.g., clinical comorbidities, presence of a significant mental health or substance use condition, age, gender, etc.
- Include socio-demographic proxy variables
- Develop a model that recognizes the incremental impact of multiple risk factors and the interaction of risks, to account for different levels of opportunity to reduce readmissions, especially among hospitals with low base year readmissions rates
- Service-line differences could be layered into the analysis
- Assess impact of including medical cancer cases. It's not clear whether all planned readmissions are excluded

Measurement Concepts

- All-payer, unplanned, 30-day readmissions
- Includes out of state adjustment, based on Medicare readmissions (see separate handout)
- Risk-adjustment to account for differences hospital cannot control
 - More sophisticated models account for more differences, but tend to be less transparent
 - There is no gold standard risk model, but variables to address known risks can be added to the model as they are developed

Measurement Concepts

- Attainment - Score based on hospital's risk adjusted performance relative to statewide risk adjusted target readmission rate
- Improvement - Score based on a hospital's risk adjusted year-over-year performance
- Final score is the *higher of the* attainment and improvement score

Measurement Concepts

- Compare hospital-specific risk-adjusted rates to the statewide risk-adjusted target
 - Statewide risk-adjusted rate is the target rate for each hospital
 - Because the range of hospital readmissions rates is wide, some hospitals are significantly above or below statewide target rate
 - Hospitals are scored on attainment relative to target and improvement compared to base year
 - Final payment adjustment is the higher of the two adjustments
 - Sample payment scale on next slide

Compare Risk-Adjusted Rate to Target

Attainment Payment Scale			Improvement Payment Scale			
	Performance vs Target	Payment Adjustment		Percent Improvement	Payment Adjustment	
Outperform target by	-20.0%	2.00%	Max attainment reward	-20.0%	2.00%	Max improvement reward
	-15.0%	1.50%		-15.0%	1.50%	
	-12.3%	1.20%		-12.3%	1.20%	
	-10.3%	1.00%		-10.3%	1.00%	
	-7.5%	0.72%		-7.5%	0.72%	
	-5.5%	0.51%		-5.5%	0.51%	
	-3.0%	0.25%		-3.0%	0.25%	
	-2.0%	0.15%		-2.0%	0.15%	
Target	0.0%	0.00%				
Miss target by	1.0%	-0.05%	Max attainment penalty	1.0%	-0.05%	Max improvement pe
	2.0%	-0.15%		2.0%	-0.15%	
	3.0%	-0.25%		3.0%	-0.25%	
	5.5%	-0.51%		5.5%	-0.51%	
	7.5%	-0.72%		7.5%	-0.72%	
	10.3%	-1.00%		10.3%	-1.00%	
	12.3%	-1.20%		12.3%	-1.20%	
	15.0%	-1.50%		15.0%	-1.50%	
	20.0%	-2.00%		20.0%	-2.00%	

Final Adjustment is the better of attainment or improvement

Risk Adjustment Models

- HSCRC – APR-DRG SOI statewide rates or “norms”
 - HSCRC norms are well known and data reports are being produced based on them
- Hybrid model
 - APR-DRG SOI norms
 - Age
 - Gender
 - Poverty
 - Mental health-substance use
- Option to substitute Area Deprivation Index for poverty variable in future
- Option to measure readmissions along service lines in future

Evaluation of Options

	Attainment and Improvement Comparing Rate to Target	Improvement-Only Policy
Advantages	<ul style="list-style-type: none"> • Better of attainment or improvement • Choice of risk-adjustment method (HSCRC “norms” or norms + other variables) • Could use a better socio-demographic variable • Could add-in service lines 	<ul style="list-style-type: none"> • Familiar policy • FY 2018 recommendation eases target for hospitals with lower base year rates • Data reports are provided now
Disadvantages	<ul style="list-style-type: none"> • Risk adjustment assumed to address all measurable difference among hospitals. Statewide average is the target rate for each hospital 	<ul style="list-style-type: none"> • Does not address attainment • Several hospitals could allow readmission rates to increase substantially and still hit target • Requires setting an improvement target

Readmission Policy Modifications to Consider

- Hospitals with lower starting readmissions rates in CY 2013 base period are seeing smaller percentage reductions and in some cases increases in CY 2015
- As a state, Maryland is performing very well on the CY 2015 readmissions test specified in the demonstration agreement Medicare unadjusted readmissions rate declining at 2.9% compared to 0.62% nationally
- Potential Modifications:
 - Attainment – Protect from penalty:
 - Readmissions rate is in the lowest third statewide in both calendar years 2013 and 2015
 - Improvement
 - Lower the uniform target to statewide improvement ~ 7.3% for CY 2015 (FY 2017) policy

MHA Proposed Penalty Modification FY 2017 Readmissions Reduction Policy

		HSCRC All-Payer Risk Adjusted	HSCRC All-Payer Risk-Adjusted	HSCRC All-Payer Risk-Adjusted Change	HSCRC All-Payer Risk Adjusted	HSCRC All-Payer Risk-Adjusted	Payment Adjustment Current Policy	Payment Adjustment MHA
	Hospital Name	CY 2013	CYTD 2015 Jan-Nov	CY 2013 - CYTD 2015	CY 2013	CYTD 2015 Jan-Nov		
210017	Garrett County Memorial Hospital	7.7%	7.9%	1.94%	1	1	-1.29%	0.00%
210039	Calvert Memorial Hospital	10.6%	9.1%	-13.79%	2	2	0.52%	0.61%
210032	Union Hospital	10.9%	12.7%	16.64%	3	26	-2.98%	-2.24%
210005	Frederick Regional Health System	11.5%	11.2%	-2.70%	4	6	-0.76%	0.00%
210003	Prince George's Hospital Center	11.5%	12.3%	6.93%	5	20	-1.87%	-1.33%
210037	University of Maryland Shore Medical Center at Easton	11.5%	12.3%	6.41%	5	18	-1.81%	-1.28%
210057	Adventist Shady Grove Medical Center	11.9%	11.4%	-4.13%	7	8	-0.59%	0.00%
210019	Peninsula Regional Medical Center	11.9%	11.6%	-2.86%	8	11	-0.74%	0.00%
210044	Greater Baltimore Medical Center	11.9%	11.5%	-3.19%	8	9	-0.70%	0.00%
210016	Washington Adventist Hospital	12.1%	12.4%	2.23%	10	21	-1.33%	-0.89%
210022	Suburban Hospital	12.1%	11.5%	-5.03%	11	9	-0.49%	0.00%
210004	Holy Cross Hospital	12.3%	12.4%	0.41%	12	21	-1.12%	-0.72%
210006	University of Maryland Harford Memorial Hospital	12.4%	11.1%	-10.48%	13	5	0.14%	0.30%
210001	Meritus Medical Center	12.5%	12.9%	3.12%	14	30	-1.43%	-0.97%
210010	University of Maryland Shore Medical Center at Dorche	12.6%	12.0%	-4.46%	15	16	-0.56%	-0.27%
210063	University of Maryland St. Joseph Medical Center	12.7%	11.4%	-10.26%	16	7	0.11%	0.28%
210049	University of Maryland Upper Chesapeake Medical Cen	12.7%	11.6%	-8.68%	17	12	-0.07%	0.13%
210058	University of Maryland Rehabilitation & Orthopaedic In	12.7%	13.8%	8.33%	18	38	-2.03%	-1.46%
210062	MedStar Southern Maryland Hospital Center	12.7%	12.4%	-2.43%	19	23	-0.79%	-0.45%
210048	Howard County General Hospital	12.9%	12.8%	-1.01%	20	27	-0.95%	-0.59%
210035	University of Maryland Charles Regional Medical Cente	12.9%	11.7%	-9.67%	21	13	0.04%	0.22%
210033	Carroll Hospital Center	12.9%	12.6%	-2.94%	22	25	-0.73%	-0.41%
210023	Anne Arundel Medical Center	13.0%	12.2%	-5.78%	23	17	-0.40%	-0.14%
210061	Atlantic General Hospital	13.0%	9.9%	-23.62%	24	4	1.00%	1.00%
210045	McCready Foundation	13.0%	9.4%	-27.86%	25	3	1.00%	1.00%
210027	Western Maryland Health System	13.1%	12.8%	-2.44%	26	29	-0.79%	-0.45%
210028	MedStar St. Mary's Hospital	13.4%	11.7%	-12.39%	27	15	0.35%	0.48%
210018	MedStar Montgomery Medical Center	13.4%	12.4%	-7.44%	28	24	-0.21%	0.01%
210060	Fort Washington Medical Center	13.9%	11.7%	-15.72%	29	14	0.74%	0.79%
210051	Doctors Community Hospital	13.9%	13.0%	-6.70%	30	32	-0.30%	-0.06%
210034	MedStar Harbor Hospital	13.9%	13.9%	-0.43%	31	40	-1.02%	-0.64%
210015	MedStar Franklin Square Medical Center	14.0%	12.9%	-8.20%	32	30	-0.13%	0.08%
210030	University of Maryland Shore Medical Center at Cheste	14.8%	12.3%	-16.61%	33	19	0.84%	0.87%
210055	Laurel Regional Hospital	14.9%	14.3%	-3.76%	34	42	-0.64%	-0.33%
210011	Saint Agnes Hospital	14.9%	13.5%	-9.53%	35	37	0.03%	0.21%
210012	Sinai Hospital of Baltimore	15.1%	13.3%	-12.48%	36	35	0.37%	0.48%
210056	MedStar Good Samaritan Hospital	15.2%	13.3%	-12.15%	37	36	0.33%	0.45%
210024	MedStar Union Memorial Hospital	15.2%	12.8%	-16.21%	38	27	0.79%	0.83%
210043	University of Maryland Baltimore Washington Medical C	15.3%	13.9%	-9.11%	39	39	-0.02%	0.17%
210002	University of Maryland Medical Center	15.3%	14.0%	-8.70%	40	41	-0.07%	0.13%
210009	The Johns Hopkins Hospital & Health System	15.4%	14.4%	-6.67%	41	43	-0.30%	-0.06%
210008	Mercy Medical Center	15.6%	13.0%	-16.76%	42	32	0.86%	0.88%
210040	Northwest Hospital Center	16.0%	13.2%	-17.97%	43	34	1.00%	1.00%
210029	Johns Hopkins Bayview Medical Center	16.3%	14.8%	-9.07%	44	44	-0.03%	0.17%
210038	University of Maryland Medical Center Midtown Campu	17.7%	16.3%	-8.13%	45	46	-0.13%	0.08%
210013	Bon Secours Baltimore Health System	20.4%	16.0%	-21.93%	46	45	1.00%	1.00%